THE FLORIDA BUYER'S GUIDE • EBOOK

HOW TO BUY A BUSINESS IN FLORIDA

By Michael Shea, P.A.

Certified Exit Planning Advisor (CEPA) • Certified Business Intermediary (CBI), IBBA
Licensed Florida Real Estate Broker • Partner, Transworld Business Advisors

21+	475+	$1.4B+
YEARS IN THE BUSINESS	BUSINESSES SOLD	IN TRANSACTION VALUE

TRANSWORLD

Business Sales • Franchises • Mergers & Acquisitions

TRANSWORLD
Business Advisors

CONTENTS

This eBook lays out the *Eight-Step Buying Process* we use at Transworld to navigate a deal in the safest way for both buyer and seller. Throughout, you'll find live links to the resources I reference, and a full *Resources & Links* directory at the back so every site is easy to find. Please share this freely with anyone thinking of buying a business.

INTRODUCTION

WHY LISTEN TO ME?

When I first thought of writing this eBook, I asked myself a fair question: *"What qualifies me to put this down on paper as a resource for business buyers here in Florida?"* I am not a classically trained finance professional. I am not an accountant, I don't have an MBA, and I am certainly not a **"Gordon Gekko"** type who graduated from Harvard with a fancy pedigree. As a buyer, you may be asking the very same question of any advisor you hire, so let me give you my bona fides and perhaps that will be enough for you to read on.

My education is a little off-kilter for a finance professional: I hold a degree in History with a minor in Military Science from Providence College. I had set my mind on a professional military career, and I served in the U.S. Army both as an enlisted soldier and later as a commissioned officer. History and a little luck changed my path, and after my service I spent time in graduate school before the civilian world pulled me toward sales and operations.

My professional civilian career includes roles in logistics, distribution, and consumer-product sales with companies like Vivendi Waters, Nestlé, and Pepsi-Cola. Those organizations gave me outstanding training in consumer behavior and crisis management that I still use today. But my greatest lessons have come from my **21-plus years** with **Transworld Business Advisors**. This is where I found my passion and where I have excelled.

The Numbers

As of this writing I have sold **more than 475 businesses**, representing over **$1.4 Billion** in transaction value. I am a record-holder for deal volume within my company, which spans **multiple countries and 250-plus offices.** In a typical year I close well over 20 transactions. For context, a successful broker averages 6 to 10 deals per year.

That volume is, frankly, an anomaly. I've been called the "Walmart" of business brokers and a "freak" because of the productivity. But the volume isn't the point — it's the **evidence.** It reflects a deep understanding of the market and the safest way to navigate the buying and selling process. Consider this: a full 50% of deals die before they ever reach the closing table, and many die right there. At Transworld we crafted the steps in these pages specifically to protect both buyer and seller from that fate.

In the following pages you'll find our **Eight-Step Buying Process.** Embedded throughout are links to helpful resources, and a Glossary and full Resources directory at the end. Please feel free to share this document with friends and anyone else considering buying a business. If you find it helpful — or if you have questions, comments, or criticism — **reach out to me** any time.

— Michael Shea

STEP 1

TAKING CHARGE

You have made the decision to control your financial future by purchasing a business. Owning a business is a great way to **build wealth** and take charge of your own destiny. Congratulations are in order — but you should also be a little wary. Business ownership and entrepreneurship are not for everyone, and you should do some honest soul-searching about your skills, passions, maturity, and support system before you commit. Once you do commit, however, you must be **all in** and take charge.

Let's talk about what "take charge" really means. Being a business owner means that you — and you alone — are in control of every element of what goes on in your business. For those who have never worked for themselves, this is a new concept, but it is critical both to navigating the buying process and, more importantly, to running the company afterward.

Leadership is not often discussed in the context of buying a business, but I think it is vital — and since this is my book, I get to talk about it. You will be the person writing the check at the closing and running the business long after your broker, CPA, and attorney are gone. So as you embark on this process, be the one in control of it and of the people in it.

You will assemble a team of professionals to assist you: an **Attorney**, a **Business Broker**, and a **CPA**. Each has a specialty and a lane to stay in, and it is your job to manage, lead, and direct them. Think of yourself as the head coach of a football team. You may delegate authority and let a quarterback call plays, but you alone are responsible for winning or losing. The **outcomes** are yours. You won't be able to blame others if something goes wrong, so be in charge.

As you hire your advisors, be sure you understand their roles, the scope of their expertise, and your expectations for performance and communication. One of the biggest mistakes first-time buyers make is defaulting leadership to a single professional and never setting ground rules for respect and professionalism across the team. Solid leadership from you is what makes the difference.

Building Your Team

The next three pages break down the three professionals you'll rely on — the **Attorney**, the **CPA**, and the **Business Broker** — and exactly what to look for in each.

TRANSWORLD
Business Advisors

A. The Attorney

First, your **attorney** is a **fiduciary** — they are legally obligated to act in your best interest. As in every profession there are good attorneys and bad ones, so choosing the right one is critical. A great deal attorney walks a fine line: protecting your interests *and* getting the deal done. That skill is rare, so as you interview counsel, talk to this point directly and make sure they will communicate proactively, stay reachable, and give examples of how they navigate a transaction.

10 Questions for Buy-Side Counsel

1. Will I deal directly with the attorney or with a paralegal?
2. Are they familiar with the **Business Brokers of Florida** forms and contracts?
3. Are they available after hours?
4. Flat fee or hourly — and how is the hour calculated?
5. Have they worked with the brokers in this deal before?
6. Will they provide references you can call?
7. Are they a "Swiss Army knife," or focused on business transactions?
8. Reasonableness — a fiduciary, but a solution-minded one.
9. Temperament & experience — professionalism and real battle scars.
10. Licensed in Florida and familiar with the relevant counties.

Keep your objective in mind: you are buying a business. Unlike distressed real estate, where the property retains value and negotiations can turn hostile, an arms-length deal involving goodwill warrants a softer touch. Hiring the loudest, meanest attorney is often the wrong tool for the job. **Pick the right tool for the work in front of you.**

One nice thing about Florida is that the marketplace has established norms of behavior. Legal fees that were once quite high have been mitigated by flat-fee transactions and standardized forms, which limit the hours attorneys spend reviewing and revising. Hiring counsel already familiar with the forms and the players — opposing counsel, brokers, closing attorneys — keeps your fees down further.

Be respectful of your attorney's time. When they quote a flat fee, they assume a level of work tied to the deal. If you're billed hourly, group your questions and use the time wisely — chatting about the weather is still on the clock. Lawyers should stay in their lane: they should not be giving business or tax advice, and they should understand the duties of the closing attorney so you aren't double-billed.

B. The CPA

Your **CPA** — and there is a real difference between a CPA and a bookkeeper or accountant — is also a fiduciary. Their job is to vet the numbers and state the facts; the mathematical facts are their lane. They are paid hourly or by flat fee, and unlike your broker, success is not a factor in their pay. As with your attorney, seek referrals and speak with prior clients to be sure they're a good fit for you and for this deal.

Critically, your CPA should understand the industry in question and have actually worked with clients in that vertical. There are subtleties to a business that never show up on a balance sheet. For example, if you hire a personal-tax accountant from Wisconsin to evaluate a Florida vacation-rental management company, they will miss things — and that something could be critical to your financial health. Choose wisely.

Vetting Your Accountant

1. Are they a CPA or an accountant — and do you know the difference?
2. What is their bandwidth for due diligence, and how fast can they move?
3. How will they define the scope of the due-diligence work?
4. What is the fee — hourly or flat?
5. Are they familiar with the software involved in the transaction?
6. Can they communicate openly with the attorneys and brokers?
7. Do they know the other professionals in the deal?
8. Will they provide ongoing tax support after the engagement?
9. Do they set up entities?

One area where CPAs get into trouble is offering opinions on the **price** of a business. Why is that a problem if they're a fiduciary? First, there are several ways to value a business, and CPAs often use a method different from the prevailing market method. Second, as your fiduciary they'll naturally state a value favorable to you, the buyer — but the seller and the market have a value in mind too, so that opinion can be irrelevant.

In Florida you have a better option: comparable sales from the **Business Brokers of Florida**. Just ask your broker to run a report by sale price, owner benefit, and geography. You can even have your subject listing compared graphically against the comps to help you visualize where it sits. And remember — supply and demand factor into all of it.

C. The Business Broker

Of the three professionals on your team, this is the one you'll spend the most time with. Brokers are generally not fiduciaries — they are contingency-based, meaning they only get paid if you buy. In Florida, most operate as **Transaction Brokers**. Because business brokerage is a real-estate service in this state, your agent must be a licensed real estate professional. You can verify any license with the **Florida DBPR**.

You can negotiate to pay a broker up front, or to have them act as a fiduciary single agent, but expect that to be pricey given the risk they take on. As with lawyers and accountants, you should interview them — I produced a video years ago, *"10 Questions You Should Ask Your Broker Before Engaging Them,"* that is still worth a watch. The key takeaway: a transaction broker must act honestly and disclose all matters pertinent to the transaction, and a good one can put you in touch with past clients.

Your broker is your access portal to information — they have the comps and the listings, and they live in the market. A good one helps immensely; a bad one can crater a deal just by being involved. The broker you choose should be **full-time** in the business, not doing this as a hobby. If you hire on price, likability, or anything other than a track record of excellence, you'll get what you paid for.

Benchmarks for a Great Broker

1. They generally don't dabble in residential real estate.
2. A good broker does a minimum of 10 transactions a year.
3. Ask about co-brokering — it's a real measure of deal-making.
4. "Time in the desert": the industry's average tenure is under a year, so the veterans have survived the tough times.
5. Are they full-time?
6. How skilled are they with technology?

Now that you understand each role, it is your job to make sure the team works together — ideally people who have worked together before, so there's no disconnect. Recognize each professional's value. If you discount one over another, chances are you picked a weak team member, and it's on you to repair it or replace them. You are in control now, and you and your business broker will begin the next step of the **Buying Process**.

STEP 2

EVALUATION

All buyers should meet their Transworld representative in person when possible. If distance makes that impossible, consistent communication by phone or video works well. We begin by gathering detailed information about *you* — your financial capabilities, your skills and experience, and your personal life goals — to determine the best types of business to pursue. Only then do we start your search using Transworld's considerable market basket of resources.

After you've interviewed and chosen your team, sit down with your business broker — ideally a Transworld agent — in person. Given the international nature of Florida's buyer market, a video call works too; what matters is that a face-to-face conversation lets both parties truly understand one another. At this meeting, detailed information about you should be gathered. I know you want to jump straight into searching, but if you've picked the right broker, they need to know a great deal about you first.

Things I like to understand when I meet a buyer include: professional background, the reason for the transition, financial position, family makeup (it seems odd, but the ages and needs of children genuinely affect some deals), **visa and immigration criteria**, language skills, the employability of a spouse versus the purchaser, exit-horizon issues, and industry likes and dislikes. Evaluation is as much about knowing the shape and depth of the "round peg" so I can find the right slot to put it into. If truth and trust aren't established between us, the deal probably won't happen.

A common dynamic here in Florida involves immigration from **E-2** and non-treaty countries. There's a lot of misinformation online about what these transactions involve, and on top of the real and perceived legal dynamics, there can be cultural barriers. One recent example: a family with children who had special needs was buying a business; one adult child would be a partner. Those subtleties had to be addressed both in the immigration business plan and in the search itself, so the target company truly fit the family's lifestyle and skills.

Not every search requires that level of insight, but here are real situations we've navigated that shape a buyer's filter:

- **Physical limitations:** clients whose mobility or health narrows the field of suitable businesses.
- **Religious restrictions:** bars and certain establishments are off-limits for some buyers.
- **Lifestyle requirements:** "I left the corporate world for an easier life — no weekends."
- **Family needs:** young children that shape hours and location.

Once the interview is complete, your broker should familiarize you with the search websites and the forms you'll need, provide copies, and walk you through them in detail. In Florida, your best primary tool is the Multiple Listing Service of the **Business Brokers of Florida** — every BBF member shares access to every listing. The MLS has the most integrity and the easiest filters. On a pay site like **BizBuySell**, by contrast, you'll find most of the same listings but can't filter by the financial source behind the numbers.

A Statistic Worth Knowing

There may be 500 businesses for sale in greater Orlando, but only about **20% use tax returns** as the source of the numbers advertised. That's important to know *before* you start down the path of inquiries, confidentiality forms, and interviews. It doesn't mean the others lack books and records — only that the broker didn't use them for the listing. It's a flag worth watching.

Here's a sobering reality: **90% of all buyers** — defined as those who inquire on a listing — never complete a purchase. The number-one culprit is frustration. The Evaluation step is your filter against it. Seek knowledge from many sources: the **Deal Board Podcast**, books like this one, reputable YouTube channels, trusted advisors, and even coursework from people like Richard Parker at **DIOMO**.

STEP 3

EDUCATION

You won't feel comfortable making a decision until you understand what it takes to buy a company. We'll explain the process and the realities of the current marketplace. You'll learn to use online forms, search for businesses, read a Business Listing Information sheet, grasp basic valuation concepts, and review available opportunities.

You will not feel comfortable making a decision until you fully understand what it takes to buy *and run* a business. I take great pains to talk through all the moving parts — the variables, risks, rewards, challenges, triumphs, and uncertainties. Buying a business is a risky proposition, and education is vital. Part of your job as a buyer is to be an active learner and researcher. This is not a part-time job; it should involve a ton of reading and solid research.

Your business broker can provide a wealth of material: active comps, sold comps, reviews of completed transactions similar to your target, access to **BBF** data, and peer comps. A good broker will point you toward solid resources — Richard Parker's **"How to Buy a Good Business at a Great Price"** is one — and, most importantly, share anecdotal wisdom from long experience. Your broker should have a teacher's heart, educating you so you can navigate this safely without blindly trusting any single "expert." Two podcasts to start with: **The Deal Board** and the resources on my own channels.

Don't Overcomplicate It

Business is not some arcane discipline full of fancy words and secrets kept by old men in white suits. If you're a competent adult with solid instincts and good judgment, you can learn and navigate this process. But you must keep educating yourself as you run your business, because business is ever-changing. Just ask Sears.

There is a method to the order of these steps. Notice that **Education is Step 3** and **The Search is Step 4**. If I had to guess, well over 90% of buyers begin by searching before they do anything else — which is precisely why so many never finish. Resist that urge. Build your foundation first.

STEP 4

THE SEARCH

Now the hard work of finding the perfect business begins. We help you search, sign confidentiality disclosures, get detailed information, and set up showings with the seller. You'll refine your search and visit opportunities until you decide on a business to purchase. If your search runs longer than a few months, it may be time to revisit the Education step.

Now the real work begins. Searching the various web portals is very much a "rabbit hole" — full of tunnels and dens that confuse, disappoint, and muddy what should be a simple process. Following our process is a tried-and-true method that puts you in a position to succeed and to weather the inevitable disappointments of reaching a meeting of the minds.

Let me paint the marketplace for you. There are a dozen or so major websites that list businesses, with more coming and going constantly. The major players: **BizBuySell**, **BusinessBroker.net**, **DealStream**, **BusinessesForSale.com**, **IBBA**, **BBF MLS**, **GlobalBX**, **LoopNet**, and **BizQuest**. Keep in mind some of these are owned by the same company, and each is a business with its own agenda. I'd also encourage you to browse the **Transworld** site, since we're the largest brokerage and carry several thousand businesses.

Since this book is about buying a business *in Florida*, here's a tip that will save you enormous time: Florida is the only state with a true business Multiple Listing Service where member brokers are **mandated to share information**. It's the **Business Brokers of Florida**. Every Transworld listing appears across the major sites, and most reputable brokers appear on the big portals too. (A note for when you eventually sell: ask which sites a broker actually posts on. If they're not on the major ones, are they really the right broker?)

Use **BBFMLS.com** as your primary search portal. It has the easiest filters, it's where Florida agents live, and you'll find a higher level of cooperation because of the shared standard of conduct. With that settled, here are the tips that matter most:

- **Ignore the asking price.** Every seller lists high to leave room to negotiate, and many brokers either won't tell sellers the truth or don't know how to determine multiples. Understand this: the average Florida business *lists* at a 3x multiple and *sells* at roughly 1.89x cash flow. The business is worth what it's worth to you and what the market says — not the sticker.
- **Search by profit / cash flow.** You are buying income, and you have to eat. Income is the prime factor; location and industry are secondary. A fun statistic: 80% of buyers do not buy what they first inquired on, because the process reveals a better fit.
- **Embrace the surprise.** Instinct pulls you toward what you know, but your talents may be exactly what's missing in an industry you'd never considered — one that's ripe for the taking.
- **Plan the exit.** You may have to sell someday. Temper your passion for, say, an English tearoom with the market's realities. Immigration, the ages of your children, retirement, and age itself are all life events that will come. You need to be able to exit.
- **Know what you don't know.** Run a personal SWOT — strengths, weaknesses, opportunities, threats — and see how it lines up against the business's SWOT.
- **The 3 P's: Patience, Perspective, Practicality.** The fastest way through this process is to follow the process. Don't deviate, cut losses quickly, and live in reality.
- **The market is reasonable; you can't fix stupid.** Deals close when they're "in the box" — when the terms meet market norms. A good broker spots good or bad in seconds and knows when to cut bait. But the broker isn't in charge — you are. Hire one with the experience to know when to walk, because they're the only advisor paid for actually closing. The comps gauge reasonableness, and on banked deals everyone knows what can and can't be financed.

STEP 5

THE OFFER

Here is where collective experience really matters — the expertise of having actually completed thousands of deals is not to be underestimated. In Florida, so many deals run through **BBF** members that there are standard contracts drawn up by a team of attorneys, which keeps your legal fees to a minimum by avoiding redrafts of standard documents.

Letters of Intent come up often, but for 99% of main-street deals I don't encourage them. This isn't legal advice — just reality: sellers and their brokers often view an LOI as a waste of time. They tend to be one-sided, they're not binding on the seller, and they usually lead to the expense of drawing up a purchase agreement from scratch anyway. You do see LOIs on larger deals where the terms are more complicated.

Once your offer is tendered — the deposit may accompany the offer or follow acceptance — it can be countered, accepted, or declined. The back-and-forth is usually minimal; we rarely see offers flying back and forth several times. When the offer is accepted and the deposit is in, we move to the next step: **Due Diligence.**

Reading a Listing: The BLI

Once you identify a business of interest, you'll review an overview document called a **Business Listing Information sheet (BLI)**. Here's a representative example so you know what you're looking at:

Listing No: BBF-439-449197 Confidential Pictures Available **SIC** 7549

Category	Automotive	Price	$3,100,000
Detail	Auto Restoration	Down	$310,000
County	Brevard, FL	Adj. Net (SDE)	$723,452
Reason for Sale	Retirement	Sales	$3,619,861

36-year-old auto restoration business in Central Florida. Highly confidential, premium clientele, over $1M in backlogged work on the books.

P&L (Cash Flow)	**2018**	**2017**
Gross Revenue	3,619,861	3,938,110
Gross Profit	2,636,084	2,676,847
Net	426,047	408,584
Owner Benefit	**723,452**	**754,323**

Note: you will **not** get to perform due diligence before making an offer. If you're lucky you'll see some financials, but not everything. Think of it like buying a house — you don't get to inspect before an accepted offer. So too in business: you make a *contingent* offer based on due diligence, and then you do the due diligence.

STEP 6

DUE DILIGENCE

This is the period where you fully verify that the owner's representations are accurate. Your broker coordinates the efforts of your legal and accounting professionals and works to satisfy every contingency written into the contract. If financing is involved, your application must be approved by the lender, proving you're qualified to repay the loan.

The professionals performing your due diligence should have real competency in the vertical you're buying. If your CPA has no manufacturing experience and doesn't understand work-in-progress (WIP), they may miss a critical element. Make sure communications flow through one central point — your broker — and that a record of those communications is compiled and kept. Your broker does not perform due diligence (nor would a smart one try), but with depth of experience they can contribute resources and insights from past deals.

You'll have personal due diligence, legal due diligence, and — if you're financing — financial due diligence at a different scope from your bank. One important note: your broker can give you information, but do not ask a **Transaction Broker** for financial advice. That's outside their scope. This is the arena where your CPA and attorney earn their pay. You'll get an initial due-diligence list from them — make it as complete as possible, because deal fatigue sets in with scattershot, repetitive requests. Tight and succinct is better. If you're also gathering immigration items, request them at the same time, since there's overlap.

Remember: good businesses are rare, so it is never truly a buyer's market when the business is good. Respect the seller and they'll respect you and the process.

Managing Due Diligence

- **Centralize everything.** All items should be collated through your broker and consolidated in one location — a shared Dropbox or drive.
- **Set a definitive period.** Open-ended timelines breed deal fatigue. Create urgency so CPAs and attorneys move with purpose and accountability. **Time kills deals** — watch the clock and know when due diligence ends.
- **If you need more time, ask for it.** Don't let it lapse silently.
- **Keep the team on the timeline.** Make sure everyone knows it and moves with a purpose.
- **Spot-check the work.** You're the client, and presumably you can add and subtract. Be active. Ask questions.
- **There is no perfect.** Every business has warts. Look at it in its entirety and make your decision based on the full due-diligence picture.
- **Expect to put a deposit down** before due diligence begins. Not doing so signals you aren't serious. The deposit is contingent on you signing off on the due diligence.

The Hard Truth About Closing Rates

A full 50% of deals die before the closing table, and some die right on it. Almost every time, the cause traces back to one thing: **failure to follow the process, step by step.** The discipline you build in these stages is exactly what carries a deal across the finish line.

Your CPA and attorney keep getting paid whether or not the deal closes — your broker does not. That's worth remembering when you weigh whose urgency to trust. The comps and the standard lending parameters are there to keep everyone honest about what's reasonable.

STEP 7

CLOSING

Final preparations are made for lease assignments, utility transfers, financing, merchant-service accounts, inventory counts, and any other last-minute items needed to make the transfer seamless. Your acquisition is usually completed by an attorney, with the signing of several documents and payment of the balance of the purchase price.

Final preparations get made for lease transfer, utilities, financing, merchant accounts, licensing, inventory counts, and a hundred other items that all seem to land at the final minute. Remember, the seller is running a business right up until close — so it's complicated, it demands attention to detail, and it requires every person to do their job exactly when they're supposed to. Your business broker is the bird dog of this process. Back in Step 1 we talked about roles and responsibilities; here is where the rubber meets the road.

Someone has to quarterback all these moving parts and have the influence to make sure everyone does what they need to. If you think that's easy, you're flat-out wrong. So your job is to hire the right team in Step 1, make sure everyone understands the urgency of communication and timely execution, empower your broker to do the job, and address anyone who isn't on board — get them on the bus.

A Smooth Close Looks Easy. It Isn't.

Given that fewer than half of deals close, the numbers tell the real story. Deals can and do die all the way up to closing. I have legions of examples of deals lost to preventable factors — ask me over a beer sometime and I'll gladly share them. At the end of the day it always comes back to the same thing: failure to follow the process, step by step.

This is the payoff for everything you built in the earlier steps. The leadership you exercised choosing your team, the discipline of your evaluation, the homework you did educating yourself — all of it converges here. Trust the process and let your team execute.

STEP 8

POST-CLOSING & TRANSITION

Transitional training by the seller may include meetings with employees and clients, technical education, computer updating, and other essential knowledge transfer. Transworld Business Advisors remains available to assist with questions or post-closing requirements. Remember what you've learned throughout this process — when the time comes, we'll still be here to help your business.

Way back in Step 5, the Offer, we discussed one of the document's key clauses: the training and transition period. This transition can be as short as a single day or as long as a year, depending on the complexity of the business. It may include meetings with employees and clients, technical education, franchise training, computer updates, the transfer of intellectual property and know-how, transfer of utilities, websites, and communication portals — and finally, the actual training on running the business.

Each industry has its own nuances and requirements, which is one more reason a seasoned brokerage matters. Your broker should not simply disappear once the deal is done. He or she should remain a resource — pointing out the elements to focus on during transition and sharing the strategies and communications that have worked in past deals. Remember, the one party who has been through this process many times is, hopefully, your broker.

Our Commitment

Your business broker can give you multiple options and solutions to the inevitable hiccups that pop up. Call us without hesitation — our commitment to you is that of a **Trusted Advisor**. We will go the distance with you, long after the ink is dry.

TRANSWORLD
Business Sales • Franchises • Mergers & Acquisitions

GLOSSARY OF HELPFUL TERMS

BLI — The one-page Business Listing Information sheet provided from the Business Brokers of Florida MLS system.

E-2 Visa — An immigration status visa used by nationals of certain treaty countries to purchase a business and obtain status in the U.S.

L-1 Visa — An intra-company transfer visa used to relocate and operate a business in the U.S.

EB-5 Visa — An investor immigration visa granting status through qualifying investment and job creation.

Transaction Broker — A limited form of representation assisting both buyer and seller in completing a transaction.

Single Agent — A brokerage relationship with specific fiduciary duties: dealing honestly and fairly, loyalty, confidentiality, obedience, full disclosure, accounting for funds, skill and diligence, and presenting all offers in a timely manner.

Fiduciary — A person who holds a legal or ethical relationship of trust with one or more other parties.

CPA — A certified public accountant; a certification carrying a fiduciary relationship, distinct from a general accountant.

Recast — The accepted accounting practice of removing or adjusting items on financial statements that are unrelated to the ongoing business.

Owner Benefit / SDE — Pre-tax, pre-interest profit before non-cash expenses, one owner's benefits, one-time investments, and any non-related income or expense. Also called Seller's Discretionary Earnings or Income.

Cash Flow — The net amount of cash and cash-equivalents moving into and out of a business; the fundamental driver of value creation.

EBITDA — Earnings Before Interest, Taxes, Depreciation, and Amortization. Distinct from SDE; multiples are higher and do not account for owner salary. Used primarily for larger businesses and M&A transactions.

Due Diligence — The post-acceptance period when a buyer reviews the financials and records of the target to confirm representations are correct.

Contingency — A clause that must be fulfilled, or waived by a party, for a contract to proceed.

Pratt's Stats / DealStats — A subscription resource showing recent sales by vertical, category, revenue, and profit.

BRG (Business Reference Guide) — An annual resource listing rules of thumb, common metrics, and industry percentages for a wide range of business types.

IBBA — The International Business Brokers Association, the largest association of business brokers in the world; offers the training leading to the CBI designation.

CBI — Certified Business Intermediary, earned through completion of IBBA coursework.

CEPA — Certified Exit Planning Advisor, a credential focused on helping owners maximize and prepare business value for a future exit.

CM&AP — Certified Mergers & Acquisitions Professional, earned through coursework at Kennesaw State University in concert with the M&A Source.

M&AMI — Master Mergers & Acquisitions Intermediary; a performance-driven designation earned after CBI certification plus proof of closings.

BBF — Business Brokers of Florida, the largest co-brokering association and sponsor of the BBF MLS listing platform.

LOI (Letter of Intent) — A non-binding document outlining the general terms and price by which a buyer proposes to purchase a business; if signed, it signals both parties intend to move forward.

PSA (Purchase & Sale Agreement) — The binding purchase contract. In Central Florida, two versions are common: the Business Brokers of Florida form and the Transworld Business Advisors form.

Addendum — An agreed-upon addition signed by all parties that changes specific terms while leaving the rest of the contract in force.

Rider — Language used to add specific detail or conditions to a standard contract.

Closing / Transaction Attorney — The attorney preparing and executing the closing; not a fiduciary to either party. Fees are traditionally split unless negotiated otherwise.

Occupational License / Business Tax Receipt — A county or municipal tax authorizing your business to operate, commonly called a business license.

4-COP / 2-COP / SRX — Florida liquor license types: full liquor; beer and wine; and a full-liquor license for an establishment meeting seating minimums where over 50% of revenue is food.

NDA / Non-Disclosure Agreement — A document securing the confidentiality of information shared and the nature of the transaction.

REFERENCE

RESOURCES & LINKS

Every link referenced in this eBook, in one place. Tap any link in the digital version, or type the address below.

Transworld	The world's largest business brokerage	tworld.com
Business Brokers of FL	Florida's business MLS & comps	bbfmls.com
IBBA	Int'l Business Brokers Association (CBI)	ibba.org
Florida DBPR	Verify a real estate / broker license	myfloridalicense.com
The Deal Board	Transworld's business-exit podcast	thedealboardpodcast.com
DIOMO	Richard Parker's buyer coursework	diomo.com
BizBuySell	Largest business-for-sale marketplace	bizbuysell.com
BusinessBroker.net	National listing portal	businessbroker.net
DealStream	Deals & investor marketplace	dealstream.com
BusinessesForSale	Global listing marketplace	businessesforsale.com
LoopNet	Commercial real estate & businesses	loopnet.com
BizQuest	Business-for-sale listings	bizquest.com
GlobalBX	Free business-for-sale exchange	globalbx.com
USCIS — E-2	Treaty-investor visa information	uscis.gov

A note on the marketplace: sites come and go, and ownership changes. When you're ready to sell, ask any broker which portals they actually post on — and remember that in Florida, the *Business Brokers of Florida MLS* is the one platform where members are mandated to share listings.

LET'S TALK

Your Trusted Advisor

Michael Shea, P.A.
CEPA • CBI (IBBA) • Licensed FL Broker
Partner, Transworld Business Advisors
mike@tworld.com | **tworld.com**

SCAN TO CONNECT • @michaelshea57

Serving Central Florida from Clearwater & St. Petersburg, across Tampa & Lakeland, to Orlando, Cocoa Beach & Daytona Beach.